



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

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Fourth District

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Fifth District

June 3, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 7 TO AGREEMENT H-203002 FOR MAGNETIC
RESONANCE IMAGING SERVICES WITH INSIGHT HEALTH CORP., AT MARTIN
LUTHER KING, JR./DREW MEDICAL CENTER AND AMENDMENT NO. 5 TO
AGREEMENT H-203001 AT OLIVE VIEW/UCLA MEDICAL CENTER
(2nd and 5th Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to execute extensions to the existing Agreements with Insight Health Corp. (Insight) for Magnetic Resonance Imaging services provided at Martin Luther King, Jr./Drew Medical Center (KDMC), Amendment 7 for Agreement No. H-203002 for \$1,130,000 and Olive View-UCLA Medical Center (OVMC), Amendment 5 for Agreement No. H-203001 for \$1,199,000. The maximum combined total obligation is \$2,329,000, at 100% net County cost on a month-to-month basis effective July 1, 2004 through June 30, 2005.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

By instructing, the Director of Health Services or designee to execute the extensions, the Board is allowing for the continuation of Magnetic Resonance Imaging (MRI) services at KDMC and OVMC on a month-to-month basis from July 1, 2004 through June 30, 2005, which will allow time for DHS to develop a Request for Proposals (RFP) for the construction, installation, implementation and operation of state-of-the-art MRI scanners at these facilities.

FISCAL IMPACT/FINANCING:

The maximum combined County obligation for these Amendments is \$2,329,000 for the period of July 1, 2004 to June 30, 2005. Funding for these amendments is included in the DHS' FY 2004-2005 Proposed Budget. The maximum County obligation for KDMC Amendment No. 7 is \$1,130,000 and for OVMC Amendment No. 5, the maximum obligation is \$1,199,000. Funding for these amendments is included in the FY 2004-05 CAO Proposed Budget.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS:

On December 14, 1993, the Board of Supervisors approved two (2) agreements with American Health Services Corp. dba Insight Health Corp. for the development and operation of MRI centers at KDMC and OVMC. The term of the agreement ended December 31, 2000; however, they did allow for an extension of up to three (3) years, with the installation of enhanced and upgraded MRI scanners.

On June 17, 2003, the Board of Supervisors approved the extensions with Insight through June 30, 2004 for both facilities.

Amendment No. 5 for OVMC will include the provision of service gap, on-call, standby MRI services that are not included in their current agreement with Insight.

These amendments include the Board-mandated provisions for Contractor's Warranty of Adherence to County's Child Support Compliance Program and Termination of Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program.

CONTRACTING PROCESS:

Insight is currently the sole source contractor for MRI services at five (5) of the DHS medical centers, including KDMC and OVMC. The once unique MRI niche market and technology has developed now into a competitive market with several major contractors capable of managing and operating this type of MRI system.

A Request for Proposals (RFP) will be conducted for the selection of a MRI contractor for KDMC and OVMC.

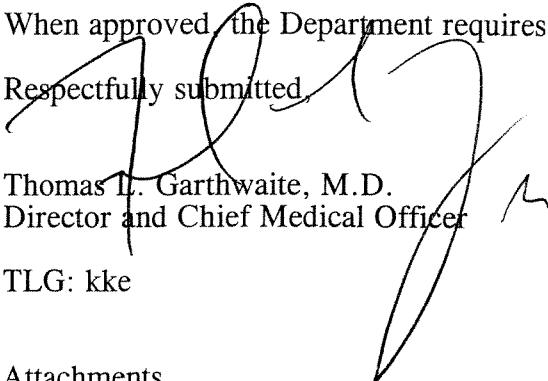
IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the amendments for KDMC and OVMC will allow DHS to continue to provide MRI services and allow DHS to develop a RFP. The RFP will serve as a template for medical services standardization and is a component of the strategic plan for the migration of DHS towards the development of standardizing medical equipment at all the medical centers and clinics. DHS is planning on releasing the RFP in October 2004.

The Honorable Board of Supervisors
June 3, 2004
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When approved, the Department requires three signed copies of the Board's action.

Respectfully submitted,


Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG: kke

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

MRI Board Letter.ke.doc

SUMMARY OF AGREEMENT

1. **TYPES OF SERVICES:**

Extension of the current Agreements with Insight Health Corp. for Magnetic Resonance Imaging (MRI) services at KDMC and OVMC on a month-to-month basis for a maximum of twelve (12) months, effective July 1, 2004 through June 30, 2005.

2. **AGENCY/CONTACT PERSON(s):**

- | | |
|---|--|
| 1. T. Miller, M.D., Chairman
Department of Radiology
Martin Luther King, Jr./Drew Medical Center (KDMC) | 2. R. Verma, M.D., Chairman
Department of Radiology
Olive View-UCLA Medical
Center (OVMC) |
|---|--|

3. **TERM OF AGREEMENT:**

Amendments will be effective from July 1, 2004 to June 30, 2005.

4. **FINANCIAL INFORMATION:**

Funding for these amendments are included in the DHS' FY 2004-2005 Proposed Budget. Total maximum County obligation is \$2,329,000. The maximum County obligation for KDMC Amendment No. 7 is \$1,130,000 and for OVMC Amendment No. 5 is \$1,199,000.

5. **GEOGRAPHIC AREAS TO BE SERVED:**

2nd and 5th Districts

6. **DESIGNATED ACCOUNTABLE FOR PROJECT EVALUATION:**

T. Miller, M.D., Chairman, Department of Radiology, KDMC
R. Verma, M.D., Chairman, Department of Radiology, OVMC

7. **APPROVALS:**

KDMC:	David Runke, Chief Executive Officer
OVMC:	Melinda Anderson, Chief Executive Officer
Contract Administration:	Irene E. Riley, Director
County Counsel (approval as to form):	Christina Salseda, Deputy Counsel

MAGNETIC RESONANCE IMAGING SERVICES AGREEMENT

AMENDMENT NO. 5

THIS AMENDMENT is made and entered into this _____ day
of _____, 2004,

by and between COUNTY OF LOS ANGELES (hereafter
"County"),

and INSIGHT HEALTH CORP. (hereafter
"Contractor").

WHEREAS, reference is made to that certain document entitled "MAGNETIC
RESONANCE IMAGING SERVICES AGREEMENT", dated January 14, 1994, and further
identified as County Agreement No. H-203001 and any amendments thereto (all hereafter
"Agreement"); and

WHEREAS, said Agreement provides that changes may be made in the form of a
written amendment which is formally approved and executed by the parties.

WHEREAS, the parties desire to amend Agreement to include the provision of Service
Gap, On-call and Standby services by Contractor in order to have services available to
patients seven (7) days a week, up to twenty-four (24) hours per day, including without
limitation, weekends, County and Federal Holidays for mutually agreed upon rates; and

WHEREAS, the Olive View-UCLA Medical Center (hereafter "Medical Center")
shall retain professional and administrative responsibility for the services provided under this
Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2004.
2. The term of this Agreement is hereby extended on a month-to-month basis, effective July 1, 2004 through June 30, 2005, with an option for County to terminate this Agreement with a thirty (30) day written advance notice to Contractor, without cause.
3. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.
4. Exhibit B, PERSONNEL AND STAFFING, shall be amended to add as follows:

“3. HOURS OF OPERATION FOR MRI SERVICE GAP, ON-CALL AND STANDBY SERVICES: Contractor shall provide clinical service coverage, as requested by County to operate the magnetic resonance imaging (MRI) equipment up to seven (7) days per week and up to twenty-four (24) hours per day, including without limitation, weekends, County and Federal Holidays for routine, unexpected, unscheduled and/or emergent MRI studies as necessary for patient care. Contractor shall provide Service Gap, On-call and Standby services in accordance with the terms, conditions and rates set forth below.

SCHEDULE OF RATES – MRI SERVICE GAP, ON-CALL AND STANDBY RATES

<u>SERVICE TYPE</u>	<u>DAY OF SERVICE</u>	<u>* HOURS</u>
<u>SERVICE GAP *</u>	MONDAY - FRIDAY	8 P.M. TO 8 A.M.
	SATURDAY TO SUNDAY	24 HOURS PER DAY
	SUNDAY TO MONDAY	12 A.M. (MIDNIGHT) TO 8 A.M.
	COUNTY AND FEDERAL HOLIDAYS	24 HOURS PER DAY
<u>SCHEDULE OF RATES</u>		
<u>STANDBY PAY</u>	\$4 PER HOUR	
<u>ONCALL SERVICE</u>	\$150 FIRST (2) HOURS	
	\$60 PER HOUR AFTER (2) HOURS	
* NOTE: <u>SERVICE GAP</u> – Service Gap refers to unscheduled hours for unexpected emergent studies. Hours may be modified, if routine scheduled studies change”.		

5. That Paragraph 25 (CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM), shall be amended to the Provisions of the Agreement to read as follows:

“25. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S

CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (CSCP) (County Code Chapter 2.200) and without limiting Contractor's duty under this contract to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Service Department (CSSD) Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b)”.

6. That Paragraph 26 (TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM), shall be amended to the Provisions of the Agreement to read as follows:

"26. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE

PROGRAM: Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 25 "CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM" shall constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which County may terminate this contract pursuant to Paragraph 13 "TERMINATION FOR DEFAULT" and pursue debarment of Contractor, pursuant to County Code Chapter 2.202".

7. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGES

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

INSIGHT HEALTH CORP.
Contractor

By _____
Contractor

Printed Name

Title _____
(Affix Corporate Seal)

APPROVED AS TO FORM:

BY THE OFFICE OF THE COUNTY COUNSEL

By _____
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Irene E. Riley, Director
Contract Administration

Kke\MRI OVUMC CD3412 Thursday, May 27, 2004

MAGNETIC RESONANCE IMAGING SERVICES AGREEMENT

AMENDMENT NO. 7

THIS AMENDMENT is made and entered into this _____ day
of _____, 2004,

by and between COUNTY OF LOS ANGELES (hereafter
"County"),
and INSIGHT HEALTH CORP.
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "MAGNETIC
RESONANCE IMAGING SERVICES AGREEMENT", dated January 14, 1994, and further
identified as County Agreement No. H-203002 and any amendments thereto (all hereafter
"Agreement"); and

WHEREAS, said Agreement provides that changes may be made in the form of a
written amendment which is formally approved and executed by the parties.

WHEREAS, the Martin Luther King, Jr./Drew Medical Center (hereafter "Medical
Center") shall retain professional and administrative responsibility for the services provided
under this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2004.
2. The term of this Agreement is hereby extended on a month-to-month basis,
from July 1, 2004 through June 30, 2005, with an option for County to terminate this
Agreement with a thirty (30) day advance written notice to Contractor, without cause.

3. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

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Director of Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

INSIGHT HEALTH CORP.
Contractor

By _____
Contractor

Printed Name

Title _____
(Affix Corporate Seal)

APPROVED AS TO FORM:

BY THE OFFICE OF THE COUNTY COUNSEL

By _____
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Irene E. Riley, Director
Contract Administration

Kke\MRI KDMC CD3412 Thursday, May 27, 2004